

NEWS FROM SCDCA

South Carolina Department of Consumer Affairs



Brandolyn Thomas Pinkston, Administrator

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FOR IMMEDIATE RELEASE

CONSUMER AFFAIRS TO RELEASE CREDIT COUNSELING AND MORTGAGE FRAUD REPORTS AT PRESS CONFERENCE

Columbia, SC... ...The South Carolina Department of Consumer Affairs (SCDCA) will release two reports during a press conference on Monday, March 12, 2007, at 10:30 a.m. on the first floor of 3600 Forest Drive in Columbia. Brandolyn Thomas Pinkston, Department Administrator said that the reports "Consumer Credit Counseling - One Year Later" and "The State of Mortgage Fraud In South Carolina" were produced to highlight SCDCA's accountability commitment to the citizens of South Carolina in these areas. Additionally, she said that the Department firmly believes that one of the best ways to prevent fraudulent and deceptive practices is to have informed and educated consumers.

CONSUMER CREDIT COUNSELING-ONE YEAR LATER

Carri Grube, SCDCA staff attorney, stated that while most credit counseling organizations can provide financially distressed consumers with valuable assistance, regulation of the industry in South Carolina was designed to thwart businesses that were misleading consumers about who they are, what they do and how much they charge. The report discusses the major provisions of the Act and funds returned to consumers. As of December 31, 2006, the Department has required that approximately \$123,000 be returned to consumers from businesses that did not follow the Consumer Credit Counseling Act. Refunds totaling approximately \$350,000 are still pending and will be distributed in the spring of 2007.

About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

For more information, visit www.scconsumer.gov.

THE STATE OF MORTGAGE FRAUD IN SOUTH CAROLINA

SCDCA staff attorney Charles Knight says that "The State of Mortgage Fraud in South Carolina" looks at mortgage fraud conditions and trends across the state and recommends improvements to protect consumers. The report is a collaborative effort from the Department sponsored South Carolina Mortgage Fraud Task Force. Partners contributing to the report include, the US Attorney's Office, SC Attorney General's Office, Federal Bureau of Investigation (FBI), US Secret Service, Department of Housing and Urban Development (HUD), Internal Revenue Service (IRS), SC State Housing Finance and Development Authority.

In a 2006 report issued by the Mortgage Asset Research Institute, it was indicated that South Carolina showed significant improvement in efforts to reduce mortgage fraud – dropping from number 1 in the nation in 2001 to number 19 in 2005. While much work is being done to combat mortgage fraud, the FBI continues to identify South Carolina as one of the top 10 "hot spots" for mortgage fraud in the United States.

To download a copy of the report, visit our Website at www.scconsumer.gov or contact the Public Information Division at 803.734.4296 or 800.922.1594 (toll free in SC).